1935

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EDWARD B. SMITH & Co.

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The Consolidated Gas Company OF NEW YORK

has guaranteed payment, principal and interest, of the 5% bonds of a company supplying gas and electricity to a population of 255,000.

We recommend these bonds for investment.

> Price to yield about 5.45%

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GRAHAM. PARSONS & CO PHILADELPHIA NEW YORK 30 Pine St. 435 Chestnut St.

John 1205



(Underlying Issues)

5% to 81/4 %

Complete information

upon request





G.L.MILLERE Q.

2000 Hurt Building, Atlanta, Ga. Paris Market Improved PARIS, Market Improved on the Bourse to-day. Three per cent rentes, 59 francs 75 centimes. Exchange on London, 56 francs 49 centimes. Five per cent loan, 76 francs 50 centimes. The dollar was quoted

50 centimes. The dollar wat 12 francs 58 % centimes. London Market Irregular LONDON, Aug. 22. — Prices moved irregularly on the Stock Exchange to-day. Bar gold was quoted at 92s; money was loaned at 1% per cent. Discount rates were: Short bills, 2% per cent; three-month bills, 24@2% per

Consols for money were quoted at 58%, British 5 per cent loan at 101% and British 4½ per cent loan at 97%.

Closing stock quotations were:

Atchison 104 M K & T 11% B & O. 59% N Y Centi. 99% Canadian Fac. 145 Norf & Wsin 115% C & O. 78 Ont & Wsin 115% C & O. 78 Pennsylvania 46% St Paul 23% Reading 76% Dry & Rio G. % Sou Ry 27% Erie 18% Sou Pac 95% do 1st pf. 27% Union Pac 149% Grand Trk % U S Steel. 103% Ill Centi. 112 2278 16% Coulswille 38% and Mines 2%

Investment Information

Questions of general interest to investors will be answered in this column, in which case only initials will be used. Others will be answered by mail. Address all inquiries, inclosing a stamped, addressed envelope, to Financial Editor, The Tribune, 154 Nassau Street, New York City.

Wants 6 Per Cent Yield Question—Have \$10,000 to invest in five good bonds yielding about 8 per cent and am relying on your good judgment.

Needs Higher Grade Bond Needs Higher Grade Bond

Question—A woman who can ill afford to lese, has about \$1.000 invested in Empire Gas and Fuel notes, due, I think, in 1924, and in Southern Cities Utilities Company. I understand that some brokerage firm is trying to get her to convert her notes into the 7½ per cent Empire Gas and Fuel bonds, 1927. She is getting an annual income of around 8 per cent. It seems to me on the face of it that her securities are not high grade enough to be safe. Will you kindly give me your advice as to what she should do? Is a Chesapeake & Ohio convertible 5 per cent a better \$1,000 piece for her to hold? She can, as I have previously said, ill afford to lose any principal.—H. J. F.

Answer—If the woman in whose in-

Answer-If the woman in whose interest you write must place every safeguard around her capital, we do not think the Empire Gas and Fuel bonds are at all suitable. You are right in assuming that the excessive rate of return betokens an element of risk. We regard the Chesapeake & Ohio convertible 5s as a distinctly better security for her to hold.

Well Chosen List

Question—Will you please advise me whether you consider the bonds and stock that I hold a good investment? I have \$1,000 each of the following: American Telephone and Telegraph first mortgage 5s, Atchiston, Topeka & Santa Fe gold 4s, Chicago, Rock Island & Pacific first mortgage 4s; General Electrict 6 per cent debenture, Northern Pacific first mortgage 4s; General Electrict 6 per cent debenture, Northern Pacific first mortgage 5s, United States Rubber first mortgage 5s, American Smelting and Refining 5s, Eric profer lien 4s, Southern Railway 54s, Sinciair Oil 7s, Series A; New York Central equipment 5s, Grand Trunk Western Railway first mortgage 50-year gold 4s, Oklahoma Gas and Electric first and refunding mortgage 50-year gold 4s, Oklahoma Gas and Electric first and refunding mortgage 50 syncar gold 4s, Oklahoma Gas and Electric first and refunding mortgage 50 syncar gold 4s, Oklahoma Gas and Electric first and refunding mortgage 50 syncar gold 4s, Oklahoma Gas and Electric first and refunding mortgage 50 syncar gold 4s, Oklahoma Gas and Electric first and refunding mortgage 50 syncar gold 4s, Oklahoma Gas and Electric first gold 4s, Oklahoma Gas and Electric first and refunding mortgage 50 syncar gold 4s, Oklahoma Gas and Electric first gold 4s, Oklahoma Gas and Electric first gold 4s, Oklahoma Gas and Electric first and refunding mortgage 50 syncar gold 4s, Oklahoma Gas and Electric first gold 4s, Oklahoma Gas and Electric first

Answer—You have an exceptionally well chosen list of investments. The Reading general 4s have not been called in, but the committee representing the bondholders in the segregation proceedings has asked that these bonds be deposited with it. We suggest that you deposit your bond. For your new capital we suggest New York Telephone 6½ per cent preferred stock selling recently around 107.

Foreign Bonds Sag

Question—Several weeks ago I purchased three Republic of Bolivia 8 percent bonds at 101, to-day the bonds are listed at 98. Would you kindly advise me if these bonds are solid and your reason why an 8 percent government bond declined three points in a week? I have \$7,000 to invest; do you recommend purchasing more Republic of Bolivia bonds at the price now listed and would you advise me if the following bonds are safe investments: Straus plan 6½ per cent bonds; Argentine 7 per cent bonds, Bol de Janeiro 8 per cent bonds, Southern Colorado Electrio 6 per cent bonds which has just been issued, Gimbel's new preferred stock that is just being issued?—A. K.

Answer—You are getting an average.

Answer—You are getting an average

Answer—You are getting an average

coupon rate of about 2 per cent more
than a conservative investor should
expect to receive under present market conditions, and about 3 per cent

conditions, and about 3 per cent
more than gilt-edge bonds offer. In

some than gilt-edge b more than gilt-edge bonds offer. In the field of investment, as much as in any other, you cannot expect to get something for nothing. Take an instance of Bolivian bonds. They yield 3½ per cent more on the rate of return than the best industrial or railroad bonds yield. In other words, the income return in dollars is about 75 per cent more than you would receive on an investment of a similar amount of money in gilt-edge bonds. The further you get away from the standard of safety in bonds the more income you receive and the more risk standard of safety in bonds the more income you receive and the more risk you take. We do not regard the Bolivian, Brazilian and Rio de Janeiro bonds as high grade investments and we would not recommend the use of any part of your capital for the purchase of any of the three. There is much uncertainty in French securities. The domestic bonds are reasonably good. Gimbel's preferred is fairly good.

vestment questions and answers will be published in The Tribune every Sunday and Monday. On other days

Day's Dealings in Bonds

Railway and Other Corporations

The Market In the absence of new offerings on my considerable scale the action of outstanding issues necessarily stands as the index of bond market conditions, whereas during a period of active distribution it is to the reception accorded new financing that investment bankers more usually look. There was a slight check to the advancing trend yesterday as speculative operations in the lower priced rails and other bonds reached the stage of Answer-The following bonds will proximately the same aggregate and give approximately the income de- the undertone of the list, viewed sired: Wilson & Co. 6s, 1914, yielding broadly, was firm. In the foreign Am about 6 per cent; Kingdom of Den- government group a slight stiffening mark 6s, 1939, yielding about 6 per in the quotation of French government cent; Duquesne Light 6s, 1949, yield- bonds stood out conspicuously. Libing about 5.7 per cent; St. Louis-San erty bonds became more active. Offer-Francisco prior lien 5s, 1950, yielding ings were fairly well met, but the unabout 5.9 per cent, and International certainties of the bonus were sufficient, to cause further trifling recent. Am T & C B & Q-111 Col 5s 16 ... 39% C B & Q 5s 16 ... 83% 16 ... 83% 16 ... 83% 16 ... 83% 16 ... 101% 2 ... 101% 2 ... 101% Transactions

Liberty 8½s, 1947.	Sales.
do lat 4s, 1947.	\$75,000
do 2d 4s, 1942.	\$2,000
do 2d 4½s, 1942.	\$2,000
do 2d 4½s, 1942.	1,205,000
do 3d 4½s, 1942.	1,245,000
do 4th 4½s, 1938.	1,940,000
Victory 4½s, 1923.	473,000
do 4½s, called.	1,065,000

Foreign Govt. and Municipal Bonds Interest To Be Added

4 ... 95 adj 4s 2 ... 86 stamped

Atl Birm 48

Atl Birm 4s

1 69
Atl Corst L

7s
5 107 %
6 108
do L & N 4s

1 ... 85 1/4
Atlan Fruit
Co tem s f
cv 7s
4 ... 88 1/4
At Ref deb
6 1/2 s ... 103 1/4
deb 5s
4 ... 88 1/4

101

gold 4s pl 3 %s

Investment for Church

F. J. LISMAN & CO.

Betablished 1830

Flinked 1830

Flinke

No Change to Suggest

Question—I read with great interest your article on investments each day and as I have never noticed any of my securities mentioned by you, would like your opinion and advice. I am a widow and depend partly on the interest for my up-keep. I am enclosing the list: Anaconda Copper bonds, 6 per cent, Northern States Power 1st preferred 5 per cent, United Light and Railways 1st and preferred 5 per cent, Electric Bond and Share, preferred; American Gas and Electric, preferred; Standard Oil of New Jersey preferred, New Jersey preferred, Standard Oil of New Jersey preferred, Stand

s loaned at 1% per cent. Disses were: Short bills, 2% per centmonth bills, 2%@2% per centmonth bills, 2% per centmonth b

Four full columns of inone full column will appear.

cn 68 1933 1111 St L Ir M 4 8 55 1931 11 ... 99 48 1929 2 ... 867

Amer. Sumatra Offers Consol. Cigar Stock

> Stockholders May Subscribe at \$36 a Share; Hights Expire September 5

Stockholders of the American Sumatra Tobacco Company have received warrants entitling them to subscribe at \$36 a share to the 52,900 shares of common stock of the Consolidated Cigar Corporation owned by the American Sumatra Company. Subscription rights expire September 5. Relative to the offering by the Consolidated Cigar Corporation to its own stockholders of an additional 41,400 shares of common stock at \$25 a share, the letter, of the American Sumatra Tobacco Company, accompanying the warrants, states:

"In order to increase the working capital of the Consolidated Cigar Corporation by approximately \$1,000,000 so that the company may be in position satisfactorily to handle its profitable and constantly increasing business, the common stockholders of that company of record on September 11, 1922, will be offered the right to subscribe to 41,400 shares at \$25 per share. Con-41,400 shares at \$25 per share. Con-sequently, stockholders of the Amer-ican Sumatra Tobacco Company, exerican Sumatra Tobacco Company, exercising their present right to subscribe for the Consolidated Cigar stock offered by their company and holding the same on September 11, 1922, will have the further right to subscribe for this additional stock at \$25 per share. Therefore, to the stockholder exercising his right to purchase the \$36 stock, and likewise exercising his right to purchase the cost of the stock thus purchased will average less than \$33 per share. If the latter rights to subscribe at \$25 a share are not exercised they should have a considerable cash value."

The right to subscribe to the \$25 stock expires September 26.

Day's New Issues

Brown Brothers & Co. were yester-day awarded a new issue of \$1,000,000 State of Tennessee notes, maturing July 1, 1923.

Blyth, Witter & Co. are offering to yield 6.50 per cent \$600,000 North Bay Farms Company first mortgage 6 per cent bonds, due 1927-1946.

Geo. B. Gibbons & Co. are offering to yield 4 to 4.15 per cent a new issue of \$450,000 Batavia, N. Y., union free school district No. 2 4½ per cent bonds, due 1923-1952.

Union Pacific Net Gains Increase \$284,858 Despite Decline in Gross

The Union Pacific system, in its statement of July carnings issued yesterday, shows an increase of \$284,858 in net operating income over July of last year, despite a reduction in gross. The Hudson & Manhattan reports an increase of \$12,182 in surplus after Union Pacific System

Hudson & Manhattan

Financial Items

The state of the s

Not One Dollar

URING the twenty years the American Bond and Mortgage Company has been in business many thousands of investors throughout the United States have purchased from us many millions of dollars of First Mortgag Bonds, secured by improved city properties and with not one dollar has of principal or interest.

Many of these investors have not only received full payment of principal and interest but in addition they have enjoyed substan. premium

During wars, panics and depressions as well as in periods of prosperity we have always made a market for our offerings, altho not having obligated ourselves to io so. This has enabled our customers realize on their bonds before maturity when they have had need for their money.

Bonds purchased from have paid the highest interest return compatible with safety. The full benefit of the interest rate received has been always passed on to the

Our Past Performance is Your Future Assurance

Call or write for our "Successful Record" Booklet No. R 54

AMERICAN BOND & MORTGAGE CO.

Capital and Surplus Over \$2,500,000 562 Fifth Avenue, New York

A Word of Caution

The fall in the rate of interest and the unparalleled safety of Guaranteed Mortgages have brought our securities into very great demand. This eager market for martgages and the notion that there is a magic in the word "mortgage" which makes all mortgages safe have recently led to a new development in the field of mortgage securities, which perhaps calls for a word of caution. These new securities are often issued and called First Mortgage Real Estate Bonds, but are not pusicanteed by the companies which put them out. The locations selected are usually prominent corners in well established districts and the buildings are large, new fireproof structures—hotels, office buildings or apartment houses. The owner of these buildings is usually required to deposit monthly one-twelfth of the annual charge for interest taxes and amortization payments.

These bonds look attractive until the investor pauses to inquire what these properties cost for land and building, what is their present value and what is their probable future value. The prospectus of these bonds is usually discreetly silent on these points, and the average investor is entirely unable to appraise the value of the land and building securing these bonds. It is safe to say that if these bend issues were restricted to the usual two-thirds of the valuations of well known appraisers in New York City none of them would be made. The plain truth is that these issues are excessive in amount, running up to 80%, 90% or 100% of the cost of the properties; excessive in the rate of interest promised on the bonds, 6%, 64% or 7%, and excessive in the fees paid to the issuing companies, which run from 10% to 15%. If the prospectus of these bonds shall clearly state to the investor that his money constitutes practically all of the money going into the enterprise, and if the investor understated that of each \$1,000 bond about \$660 represented the normal methods and the investor that his money constitutes practically all the shall be about the properties. gage loan and \$340 represented the equity the transaction would be thoroughly understood and the investor

One added danger is that these bonds are commonly offered prier to the beginning of the erection of the building, so that the invester parts with his money when his real estate security consists only of unimproved land. The experience of many years shows that under continual competition New York City real estate does not earn high rates of interest, especially on abnormally high cost of building. Hence, unless these large properties maintain their present high rentals—which is most improbable—the outcome is quite clear. Some day the bondholders will foreclose various issues of these mortgage bonds, since there is no guarantee to protect them, and will suffer a day the bondholders will foreclose various issues of these mortgage bonds, since there is no guarantee to protect them, and will suffer a loss from the shrinkage of their bonds in proportion to the lower rate of interest earned by these buildings. The moral for the investor is clear: Do not furnish practically all the money for new buildings, and put it up before there is any building, but stick to the usual two-thirds loan—the legal limit for trustees—and deal only with respectively out and whose unqualified guarantee has stood the test of time.

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LAWYERS MORTGAGE CO.

R. M. HURD, President

Capital and Surplus \$10,000,000 56 Nassau St., New York 184 Montague St., Brooklyn 4 Herriman Av., James

Stocks Ex Dividend

Date. Name.
Sept. 1—Amer Sug Ref Co pfd.
Aug. 31—Amer Tel. & Cable Co.
Aug. 31—Amer Tel. & Cable Co.
Aug. 32—Bethlehem Steel Corp.
Aug. 29—do pfd.
Aug. 31—California Pack. Corp.
Sept. 2—Cub-Amer Sugar Co. atd.
Aug. 38—Delaware & Hudgon Ca.
Aug. 31—Diamond Match Co.
Aug. 31—Bastman Kodak Co.
Aug. 31—Bastman Kodak Co.
Aug. 31—Go pfd.
Aug. 26—Federal Min & Smelt Co.
Aug. 31—Go pfd.
Aug. 26—Federal Min & Smelt Co.
Aug. 31—Marland Oil Co.
Aug. 35—Marland Oil Co.
Aug. 35—National Lead Co. pf.
Aug. 35—National Lead Co. pf.
Aug. 35—National Lead Co.
Aug. 35—Stand. Oil Co.
Sept. 1—Toxan Guil Sulphur Co.
Sept. 2—do pf.
Sept. 1—Toxan Guil Sulphur Co.
Sept. 2—do pf.
Sept. 1—Union Facific R. & Co.
Sept. 1—Union Facific R. & Co.
Sept. 1—Union Facific R. & Co.
Sept. 1—do pf.
Sept. 1—Union Facific R. & Co.
Sept. 1—Union Facific R. & Co. London Metal Market

Stocks Ex Dividend

LONDON, Aug. 22.—Standard ber, spot, £63 12s 6d; fun £63 15s; electrolytic. spot, 7s 6d; futures, £160 10s; spot, £24 12s 6d; futures, £23 15s; spot, £24 15s; futures, £30 7s 64.